

Message Text

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12

ACTION EA-14

INFO OCT-01 ADP-00 EB-11 COME-00 SCEM-02 INT-08 TRSE-00

OMB-01 CIAE-00 DODE-00 PM-09 H-02 INR-10 L-03 NSAE-00

NSC-10 PA-03 RSC-01 PRS-01 SS-15 SCI-06 AEC-11 RSR-01

/109 W

----- 060908

P R 130949 Z APR 73

FM AMEMBASSY JAKARTA

TO USIA WASHDC PRIORITY

SECSTATE WASHDC PRIORITY 6475

INFO AMCONSUL MEDAN

AMCONSUL SURABAYA

UNCLAS JAKARTA 4451

E. O. 11652: N/A

TAGS: ENRG, PFOR, ID

SUBJ: MESSAGE ON ENERGY CRISIS

REF: A) USIA 4671 (NOTAL B) JAKARTA 4062- C; C) USIA 6598 (NOTAL;
D) USIA 6644- C (NOTAL); E) USIA 6982- C (NOTAL)

1. BEGIN SUMMARY: AS REQUESTED REFTEL C, SPECIFIC
TARGET AUDIENCE IDENTIFIED, ANTICIPATED QUESTIONS FOR
BOTH OVERSEAS PRESS CONFERENCE AND SUBSEQUENT ELECTRONIC
DIALOGUE LISTED, AND SUPPORT MATERIAL UNORDERED. JAKARTA
ALSO REQUESTS CLARIFICATION AND CONFIRMATION OXFPOST'S
PARTICIPATION. DEPART OF COMMUNICATIONS (GOI) CLEARANCE
FOR OVERSEAS PRESS CONFERENCE APPEARS OPTIMISTIC,
CONFIRMATION EXPECTED APRIL 18 AT LATEST. END SUMMARY.

2. RE PARA 1 REFTEL C), SPECIFIC TARGET AUDIENCE,
NUMBERING ABOUT 30, FOR BOTH OVERSEAS PRESS CONFERENCE
(PARA NO. 5, OPTION ONE REFTEL A AND PARA 5. C REFTEL B)
AND ELECTRONIC DIALOGUE (PARA NO. 6 REFTEL A AND PARA
5. D REFTEL B) WOULD INCLUDE MINISTER OF MINES
(SADLI), MINISTER OF DEVELOPMENT PLANNING (WIDJOJO),
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MINISTER OF FINANCE (WARDHANA), ALL MEMBERS OF PERTAMINA' S BOARD OF COMMISSIONERS, ALSO DIRECTOR OF OIL AND GAS (WIJARSO), PRESIDENT DIRECTOR OF PERTAMINA (GEN. IBNU SUTOWO), OTHER KEY PERTAMINA OFFICIALS, SELECTED MEMBERS OF PRESS, AND FEW KEY MAJOR U. S. OIL COMPANIES REPS.

3. AS REQUESTED PARA 1 REFTEL C, FOLLOWING QUESTIONS FORMULATED FOR ELECTRONIC DIALOGUE IN CONSULTATION WITH SEVERAL KEY INDONESIANS WITHOUT ADVANCED KNOWLEDGE OF CONTENTS OF ENERGY MESSAGE. ASSUME THAT QUESTIONS WILL BE REVIEWED AGAINST SUBSTANCE MESSAGE AND MODIFIED OR OMITTED IF REDUNDANT. OFFICE OF FUELS AND ENERGY (EB/ FSE) OR INDONESIA DESK (EA/ IMS), STATE DEPT., CAN PROVIDE GUIDANCE. QUESTIONS: A) WHAT ROLE WILL FEDERAL POWER COMMISSION (FPC) PLAY IN NEW ENERGY POLICY, SPECIFICALLY ON DECISIONS RELATING TO U. S. IMPORTS OF LNG? (FYI: THE INDONESIANS WONDER IF FPC MACHINERY WILL BE STREAMLINED TO PERMIT MORE RAPID DECISION MAKING, CITING THE ALGERIAN CASE AS AN EXAMPLE OF DELAY. END FYI) B) GIVEN ENERGY SHORTAGE, EXACTLY HOW DOES THE USG PLAN TO BALANCE (1) NEED TO INCREASE ENERGY PRICE IN ORDER TO STIMULATE DOMESTIC OIL AND GAS PRODUCTION, AS WELL AS THE DEVELOPMENT OF ALTERNATE FORMS OF ENERGY, WITH (2) NEED TO MAINTAIN OVERALL PRICE STABILITY AND CURB INFLATIONARY PRESSURES? (FYI: THE INDONESIANS ARE OBVIOUSLY INTERESTED INT EH IMPLICATIONS OF OUR ENERGY POLICY VIS- A- VIS POSSIBLE INCREASES IN IMPORTED ENERGY PRICES. END FYI) C) ASSUMING RUMORS ARE ACCURATE THAT THE USG MAY SUPPORT THE ESTABLISHMENT OF A CONSUMER COUNTRY ORGANIZATION, WOULD THE OBJECTIVE OF THE NEW ORGANIZATION BE THE RATIONAL DISTRIBUTION OF AVAILABLE ENERGY OR MERLY TO CONTROL PRICES? (FYI: THE INDONESIAN INTEREST HERE IS OBVIOUS. END FYI) D) ASSUMING IMPORT CONTROLS WILL BE MAINTAINED IN 1973, WHAT FORM WILL THEY TAKE? WILL THE U. S. CONTINUE WESTERN HEMISPHERE PREFERENCES? WILL THERE BE PREFERENCES OTHER THAN FOR COUNTRY OF ORIGIN, E. G. QUALITY OF CRUDE? (FYI: THE INDONESIANS ARE INTERESTED IN THE FUTURE OF DISCRIMINATORY WESTERN HEMISPHERE PREFERENTIAL ARRANGEMENTS AND WONDERIG IF A FUTURE PREFERENCE MIGHT UNCLASSIFIED

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BE GIVEN FOR LOW SULPHER CRUDE OIL. END FYI)

4. RE PARA 2 REFTEL (C) PLEASE AIRPOUCH 30 ADDITIONAL COPIES OF FOLLOWING BACKGROUNDERS POUCHED MID- MARCH;
A) " DR. TELLER DISCUSSES ENERGY, RESOURCES AND THE ENVIRONMENT;" B) " GUIDE TO NATIONAL PETROLEUM COUNCIL REPORT ON U. S. ENERGY OUTLOOK"; C) " ENERGY TRANS-ACTIONS IN TIME", KAISER NEWS; D) AND " ENERGY AND POWER", SCIENTIFIC AMERICAN, SEPT. 1971. ALSO REQUEST AIRPOUCH 40 COPIES EACH FIVE PUBLICATIONS MENTIONED PARA 2 SAME REFTEL.

5. JAKARTA PARTICIPATION OVERSEAS PRESS CONFERENCE APPEARS OPTIMISTIC AT PRESENT; CONFIRMATION BY DEPARTMENT OF COMMUNICATIONS (GOI) EXPECTED APRIL 18 AT LATEST. WILL ADVISE ASAP.

6. ACTION REQUESTED. REQUEST CLARIFICATION WASHINGTON UNDERSTANDING OF JAPARTA PARTICIPATION. OUR UNDERSTANDING IS WE WILL PARTICIPATE IN OVERSEAS PRESS CONFERENCE (PENDING TIMELY CLEARANCE BY GOI) FOLLOWED BY ELECTRONIC DIALOGUE WITH HIGH USG OFFICIALS WITH ENERGY RESPONSIBILITIES. PLEASE CONFIRM. ALSO, WE WOULD APPRECIATE GUIDANCE ON DATES AND TIMES OF RELEASE OF MESSAGE, OVERSEAS PRESS CONFERENCE AND ELECTRONIC DIALOGUE. ADDITIONAL INFO WOULD BE APPRECIATED ON JUST HOW OVERSEAS PRESS CONFERENCE WILL BE CONDUCTED, E. G. WHICH COUNTRIES WILL PARTICIPATE AND WHETHER SEVER COUNTRIES WILL PARTICIPATE SIMULTANEOUSLY, ETC. (FYI: MONDAY 4/ 16 AND FRIDAY 4/20 ARE INDONESIAN HOLIDAYS. END FYI). BEST TIME JAKARTA 8-11 AM OR PM FOR BOTH PRESS CONFERENCE AND DELECTRONIC DIALOGUE. TOUSSAINT

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*** Current Classification *** UNCLASSIFIED

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